



LEGISLATIVE FINANCE COMMITTEE

63rd Montana Legislature

Room 110 Capitol Building * P.O. Box 201711 * Helena, MT 59620-1711 * (406) 444-2986 * FAX (406) 444-3036

SENATE MEMBERS

MARY CAFERRO
LLEW JONES
RICK RIPLEY
JON SESSO
MITCH TROPILA
EDWARD WALKER

HOUSE MEMBERS

DUANE ANKNEY
ROB COOK
KIMBERLY DUDIK
STEVE GIBSON
GALEN HOLLENBAUGH
PAT NOONAN

JULIE JOHNSON, Staff Attorney
DIANE MCDUFFIE, Secretary
AMY CARLSON, Director

MINUTES

June 11, 2013

Room 102, Capitol Building
Helena, Montana

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. To the left of each section in these minutes is a time designation indicating the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

Access to an electronic copy of these minutes and the audio or video recording is provided from the Legislative Branch home page at <http://leg.mt.gov>. On the left-side menu of the home page, select *Committees*, then *Interim*. Once on the page for *Interim Committees*, scroll down to the appropriate committee. The written minutes summary, along with the audio and video recordings, are listed by meeting date on the interim committee's web page.

Hard copies of the exhibits for this meeting are available upon request. Legislative Council policy requires a charge of 15 cents a page for copies of the document.

COMMITTEE MEMBERS PRESENT

SEN. LLEW JONES
SEN. JON SESSO
SEN. MITCH TROPILA
SEN. EDWARD WALKER

REP. DUANE ANKNEY
REP. ROB COOK
REP. KIMBERLY DUDIK
REP. STEVE GIBSON
REP. GALEN HOLLENBAUGH
REP. PAT NOONAN

COMMITTEE MEMBERS ABSENT

SEN. MARY CAFERRO
SEN. RICK RIPLEY

STAFF PRESENT

JULIE JOHNSON, Staff Attorney
DIANE MCDUFFIE, Secretary
AMY CARLSON, Director

AGENDA & VISITORS' LIST

Agenda, Attachment #1.

Visitors' list, Attachment #2.

CALL TO ORDER AND ROLL CALL

00:00:11 Senator Sesso, Acting Chairman called the 224th meeting of the Legislative Finance Committee to order at 1:00 p.m. on June 11, 2013. The meeting was held in Hearing Room 102 of the State Capitol, Helena Montana. The secretary took roll. Attachment #3.

APPROVAL OF MINUTES OF THE PREVIOUS MEETING

00:01:24 **MOTION:** Rep. Hollenbaugh moved to approve the minutes of the November 13, 2012 meeting. **VOTE:** Motion passed.

COMMITTEE BUSINESS

00:02:19 Rep. Sesso discussed the rules and procedures on election of officers. (Exhibit 1)

00:03:19 Amy Carlson, Director explained the significant changes made to the rules regarding management advisory work group and reports..

00:07:47 Sen. Sesso opened nominations for election of a chairman. Rep. Ankney nominated Sen. Jones. **VOTE:** Motion passed.

00:08:38 Sen. Sesso open nominations for vice chair. Rep. Noonan nominated Rep. Galen Hollenbaugh as vice chair. **VOTE:** Motion passed.

00:09:36 Sen. Sesso opened nominations for secretary. Rep. Hollenbaugh nominated Rep. Cook for secretary. **VOTE:** Motion passed.

00:11:07 Sen. Jones, as newly elected chairman presided over the remainder of the meeting. Sen. Jones appointed Sen. Sesso, Rep. Hollenbaugh, Rep. Cook and himself to the Management Advisory Work Group.

00:15:43 **MOTION:** Rep. Hollenbaugh moved that written notification of proxies be allowed. **VOTE:** Motion passed.

00:18:14 Sen. Sesso moved the rules be approved as amended. **VOTE:** Motion passed

00:19:07 Amy Carlson, Director presented the operating plan budget and the cost report as of May 31, 2013. (Exhibit 2 and 2a) The retirement payout for Jim Standaert and Pam Joeehler are not included. The division will use carryforward authority for that.

00:22:27 **MOTION:** Sen. Tropila moved to approve the operating plan. **VOTE:** Motion passed.

- 00:23:01 Amy Carlson, LFA explained the order of operation for the pay plan budget approved by the legislature.
- 00:26:34 Rep. Gibson asked what the total dollar amount is. Ms. Carlson said the information won't be available until the last component has been implemented.
- 00:29:37 Chairman Jones asked Ms. Carlson to provide the details when they become available.
- 00:33:29 Sen. Jones presented the draft dates for future LFC meetings. (Exhibit 3) The committee accepted the following dates:
- ▶ September 26-27, 2013
 - ▶ December 9-10, 2013
 - ▶ March 13-14, 2014
 - ▶ June 5-6, 2014

The September and November 2014 meetings will be scheduled at a later date.

STAFF ANNOUNCEMENTS

- 00:41:29 Ms. Carlson announced to the committee that both Jim Standaert and Pam Joehler retired May 31. Christina Butler has been assigned to the university system, Roger Lloyd has been assigned to natural resources, Rob Miller will continue to work on K-12. Barbara Smith and Joe Triem finished their training assignments and are now part of the management team. Stephanie Morrison has been promoted to Senior Fiscal Analyst. The LFD has also created a planning team consisting of Greg DeWitt, Lois Steinbeck, Kris Wilkinson, and Stephanie Morrison.
- 00:43:21 Kelly DaSilva, Human Resource Manager, Legislative Services Division discussed the Legislative Fiscal Analyst/Director draft performance evaluation form and the Legislative Fiscal Analyst position description which were included in the committee notebooks. (Exhibit 4)
- 00:44:58 Chairman Jones asked the form be sent out in early August to all the committee members.

2015 BIENNIUM LEGISLATIVE FISCAL REPORT SUMMARY AND STATUS:

- 00:45:51 Amy Carlson, LFA discussed the status sheet, a summary of the impact of vetoed bills and the statutory guidance on changes to the budget. (Exhibit 5) Ms. Carlson also provided a report on Year-to-Date Revenue Collections. (Exhibit 5a)

COMMITTEE DISCUSSION AND QUESTIONS

- 00:59:29 Sen. Sesso
- 01:05:37 Rep. Gibson
- 01:06:51 Sen. Sesso
- 01:10:46 Sen. Jones
- 01:17:32 Sen. Sesso

LEGISLATIVE FINANCE COMMITTEE STATUTE AND ROLE

- 01:22:26 Julie Johnson, Legislative Service Division briefly discussed the committee's authority to pursue certain actions as provided for in law.
- 01:26:59 Taryn Purdy, Principal Fiscal Analyst, presented a report on LFC Budgets During the Interim. (Exhibit.6) This report explains operating plan changes and program transfers, budget amendments and appropriation transfers.

REQUIRED REPORTS

- 01:34:49 Taryn Purdy, Principal Fiscal Analyst, discussed the Operating Plan Changes and Program Transfers. (Exhibit 7) LFD staff reviewed the proposed and implemented changes and raised no concerns. Also included in the committee notebook is the Budget Amendments Report but no formal presentation was made. (Exhibit 8)

COMMITTEE DISCUSSION AND QUESTIONS

- 01:36:11 Sen. Sesso
01:36:32 Rep. Gibson
01:39:01 Sen. Jones
01:39:25 Rep. Tropila

BREAK

- 01:56:11 Rep. Gibson
01:58:11 Rep. Tropila
02:00:38 Rep. Hollenbaugh
02:01:46 Sen. Jones

LEGISLATIVE DISTRICT MAP TOOL

- 02:03:32 Joe Koleman, Legislative Environmental Policy Analyst, provided a power point presentation on Legislative District Maps and Resources. Mr. Koleman also provided a handout regarding online information. (Exhibit 9).

INFORMATION TECHNOLOGY

- 02:14:37 Kris Wilkinson, Senior Fiscal Analyst, LFD discussed the duties and statutory responsibilities in relation to information technology.
- 02:17:22 Stephen Forrest, IT Planning, SITSD explained the new Chief Information Officer, Ron Baldwin will be reviewing the entire planning process with different goals in mind and providing information that is useful to all.
- 02:19:09 Kris Wilkinson, Senior Fiscal Analyst, LFD presented her report on 2013 Biennial Information Technology Report and provided comments and options for LFC consideration. (Exhibit 10)

02:27:42 Anita Bangert, Project Management Office, SITSD provided a summary on Project Management. (Exhibit 11) The summary discusses the four reporting criteria, the IT Project Portfolio, Supplemental, and Post-implementation reports.

Also included in the committee notebook but no formation presentation was made were:

- ◆ IT Project Portfolio Report (Exhibit 11a)
- ◆ 5 Supplemental Reports (Exhibit 11b)
- ◆ 7 Post Implementation Reports (Exhibit 11c)

COMMITTEE DISCUSSION AND QUESTIONS

02:35:07 Sen. Jones
02:38:00 Rep. Hollenbaugh
02:39:18 Rep. Walker

MBARS/IBARS

02:41:05 Barbara Smith, Operations Manager, LFD provided an updated on the MBARS/IBARS budget system. IBARS will be available in 2014 for preparing the budget.

COMMITTEE DISCUSSION AND QUESTIONS

02:46:46 Rep. Hollenbaugh
02:47:42 Sen. Walker
02:49:22 Sen. Sesso
02:53:23 Rep. Hollenbaugh

IMPLEMENTATION OF HB 454/PERS

02:59:43 Melanie Symons, Legal Counsel, PERA discussed the Temporary Emergency Rules that establish criteria to be used by the Board's actuary to obtain information related to PERS, its amortization period, its funding status, its future GABA rates, and its actuarial equivalent factors. (Exhibit 12)

COMMITTEE DISCUSSION AND QUESTIONS

03:05:52 Sen. Sesso
03:13:14 Sen. Tropila
03:15:24 Sen. Jones
03:16:33 Rep. Hollenbaugh
03:18:51 Rep. Dudik
03:20:12 Sen. Tropila
03:28:00 Sen. Sesso
03:32:08 Rep. Cook
03:34:40 Rep. Hollenbaugh
03:39:09 Sen. Jones
03:42:29 Sen. Sesso
03:46:29 Sen. Tropila
03:47:52 Sen. Jones

STAFF ANNOUNCEMENTS

03:48:41 Amy Carlson, introduced new staff member Nick Brown, Fiscal Analyst who will be working on property tax and oil and gas tax.

ADJOURNMENT

03:51:10 With no further business before the committee, Chairman Jones adjourned the meeting. LFC members will gather Wednesday, June 12th at the Gateway Center to discuss the interim work plan.

Senator Jones, Chairman

Diane McDuffie, Committee Secretary